

Exhibit 2: Need /Extent of the Problem

Please address the following factor on not more than five (5) double-spaced, typed pages.

Rating Factor 2: Need/Extent of the Problem (20 Points)

This factor addresses the extent to which there is a need for funding the proposed program activities and an indication of the urgency of meeting the need in the target area. Up to 20 points will be awarded for this factor.

- 1) (5 Points) AIDS Cases.** Up to five of these points will be determined by the relative numbers of AIDS cases and per capita AIDS incidence within your service area, in metropolitan areas of over 500,000 population and in areas of a State outside of these metropolitan areas, in the State for proposals involving state-wide activities, and in the nation for proposals involving nation-wide activities. Your application must define a planned service area. To determine these points, HUD will obtain AIDS surveillance information from the Director of the Centers for Disease Control and Prevention.
- 2) (5 Points) Description of Unmet Need.** Up to five of these points will be determined by the extent to which there is a need for funding eligible activities in the area to be served. To receive the highest ratings in this factor, you must demonstrate that substantial housing and related service needs of low-income persons living with HIV/AIDS and their families are not being met in the area and that reliable statistics and data sources (i.e. Census, health department statistics, research, scientific studies, and Needs Analysis of Consolidated Plan and/or Continuum of Care documentation) show this unmet need. To receive the highest number of points, you also must show that your jurisdiction's Consolidated Plan and Analysis of Impediments to Fair Housing Choice, Continuum of Care Homeless Assistance plans (if homeless persons are to be served), and comprehensive HIV/AIDS housing plans are applicable and identify the level of the problem and the urgency of the need.

Urgent and unmet needs may be demonstrated, as follows:

- a) If you apply for a proposed Special Project of National Significance, you must describe a need that is not currently addressed by other projects or programs in the area; also describe any unresolved or emerging issues, and the need to provide new or alternative forms of assistance that, if provided, would enhance your area's programs for housing and related care for persons living with HIV/AIDS and their families;
- b) If you apply for a project that is part of a Long-Term Comprehensive Strategy in an area that does not receive a HOPWA formula allocation, you must describe the need that is not currently addressed by other projects or programs in the area; you must also describe any unresolved or emerging issues, and/or the need to provide forms of assistance that enhance the community's strategy for providing housing and related services to eligible persons.

HUD will consider your presentation of statistics and data sources based on soundness, reliability and the specificity of information to the target population and the area to be served. If you propose to serve a sub-population of eligible persons on the basis that these persons have been traditionally and are currently underserved (e.g., persons with multiple disabilities including AIDS), your application must document the need for this targeted effort through statistics and data sources that support the need of this population in your service area.

- 3) (5 Points) Need in Non-Formula Areas and Need for Renewals.** Within the points available under this criterion, HUD will award points under the following two circumstances:
- a) Five points will be awarded, if your SPNS application proposes to serve clients in an area that does not qualify for HOPWA formula allocation; or
 - b) Up to five points will be awarded, if you propose to continue the operations of HOPWA funded activities that have been supported by HOPWA competitive funds in the year immediately prior to this application and that have operated with measurable success.

To receive the highest ratings in this factor, you must describe what unmet need would result if funding for the project was not renewed and describe your efforts to secure other sources of funding to continue this project. You must also show that you operated with measurable progress and your previous HOPWA-funded activities have been carried out and are nearing completion of the planned activities in a timely manner.

Measurable progress is defined as:

- (i) meeting performance benchmarks, as appropriate, in program development and operation
 - (ii) meeting project goals and objectives, such as, that the number of persons assisted is comparable to the number that was planned at the time of application
 - (iii) submitting timely performance reports and
 - (iv) expending 80% of prior funding by the application due date of this program section of the SuperNOFA.
- 4) (5 Points) Highest Rated in a State or the Nation (for nationwide activities).** After the other rating factors have been determined, HUD will award five of the points to help achieve greater geographic diversity in funding activities within a variety of States. Under this criterion, five points will be awarded to the highest rated SPNS and Long-term applications in each State and to the highest rated SPNS application among the applications that propose nationwide activities.

Targeting Underserved Populations

If you apply for a SPNS grant targeting resources to underserved populations, you must identify the underserved population and evidence that substantial housing and related service needs of the identified underserved population living with HIV/AIDS and their families are not being met in the area.

The Department has defined underserved populations as low-income populations living with HIV/AIDS and their families, such as racial or ethnic minority groups, women, persons living in rural areas, or other underserved groups determined by your service area.

To meet the program definition of underserved group, you must show the unmet need in the provision of housing and related supportive services for the identified underserved population in your service area by presenting reliable statistics and data sources (i.e. Census, health department statistics, research, scientific studies, and Needs Analysis of Consolidated Plan and/or Continuum of Care documentation).

HUD will consider your presentation of statistics and data sources based on soundness of approach and reliability and the specificity of information to the underserved population and the area to be served.